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8  
9  
10 **UNITED STATES BANKRUPTCY COURT**  
11 **CENTRAL DISTRICT OF CALIFORNIA - SANTA ANA DIVISION**  
12

13 In re:  
14 THE LITIGATION PRACTICE GROUP P.C.,  
15 Debtor.

Case No.: 8:23-bk-10571-SC

Chapter 11

**SUPPLEMENTAL DECLARATION OF  
RICHARD A. MARSHACK IN SUPPORT  
OF EMERGENCY MOTION (I) FOR  
ENTRY OF A SECOND INTERIM  
ORDER: (A) AUTHORIZING THE  
TRUSTEE TO OBTAIN ADDITIONAL  
POST-PETITION FINANCING AND  
SUPERPRIORITY ADMINISTRATIVE  
EXPENSE CLAIM PURSUANT TO 11  
U.S.C. § 364; AND (B) SETTING FINAL  
HEARING; AND PURSUANT TO FINAL  
HEARING, (II) FOR ENTRY OF FINAL  
ORDER APPROVING POST-PETITION  
FINANCING ON A FINAL BASIS**

Date: July 19, 2023

Time: 1:30 p.m.

Judge: Hon. Scott C. Clarkson

Place: Courtroom 5C

411 W. Fourth Street  
Santa Ana, CA 92701

1 I, Richard A. Marshack, declare as follows:

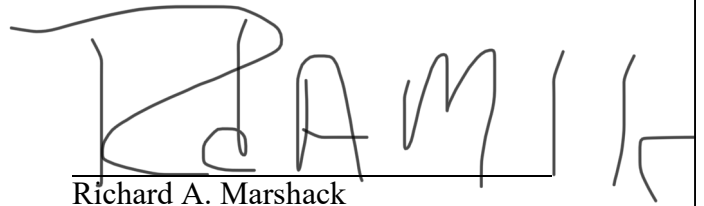
2 1. I am the Chapter 11 Trustee ("Trustee") for the bankruptcy estate ("Estate") of The  
3 Litigation Practice Group, P.C. ("Debtor") in the above-captioned bankruptcy case ("Case"). As such,  
4 except as expressly stated otherwise, I have personal knowledge of the facts set forth below and could  
5 and would competently testify under oath thereto if requested to do so.

6 2. I submit this Declaration in support of my Motion (I) for Entry of a Second Interim  
7 Order: (A) Authorizing The Trustee to Obtain Additional Post-Petition Financing and Superpriority  
8 Administrative Expense Claim Pursuant to 11 U.S.C. § 364; and (B) Setting Final Hearing; and  
9 Pursuant to Final Hearing, (II) for Entry of Final Order Approving Post-Petition Financing on a Final  
10 Basis ("Motion").

11 3. Attached please find a Summary, prepared by Trustee's Administrative Staff in  
12 conjunction with LPG Management, identifying in broad terms the sources and uses of loan funds.

13 I declare under penalty of perjury under the laws of the United States of America that the  
14 foregoing is true and correct.

15  
16 Dated: July 18, 2023

  
Richard A. Marshack

Total funds on hand \$6,652,564

- Main checking account \$8,052
- Payroll / Operating account \$75,232
- Segregated received on 7/17 from Resolution Ventures \$250,336 \*
- Segregated ACH account \$6,138,944
- Segregated Payroll tax account \$180,000

Net available \$83,284

Loan funds (reconciliation through 7/10/23):

- Received \$800,000
- Disbursed \$737,030

Remaining \$62,970

Of the \$737,030:

- 87% is payroll / payroll tax related, and related employee and agent expenses
- 4% is other operating expenses (bond, internet, email, Google, etc)
- 9% is approximate remaining balance

**Major** upcoming expenses currently owed:

- 7/14 payroll \$362,799
- 7/28 payroll (fully accrued on 7/21/23) \$356,115

BUDGET \*

	Pay date 7/14/23	Pay date 7/28/23	Other costs
Wages (gross pay)	\$ 262,215.00	\$ 262,215.00	
Payroll taxes ER portion	\$ 45,000.00	\$ 45,000.00	
Employee Insurance	\$ 55,584.00	\$ 48,900.00	
Malpractice insurance (due 7/18/23)			\$ 9,750.00
BRI cobra premium (due 7/30/23)			\$ 75.00
Workers comp (due 7/13/23)			\$ 1,500.00
Unknown contingencies			\$ 100,000.00
	\$ 362,799.00	\$ 356,115.00	\$ 111,325.00
TOTAL budget through 7/28			\$ 830,239.00

\* This does not include substantial post-petition expenses including, but not limited to, rent and outside counsel servicing existing clients.

\* Current super-priority administrative loans:

Loan Funds		
Resolution Ventures	\$ 249,663.98	
Liberty Acquisitions	\$ 60,000.00	
Liberty Acquisitions	\$ 490,336.02	
	\$ 800,000.00 *	

\* For sake of clarity, this \$800,000 does not include the funds in the amount of \$250,336 being held in trust pending court approval of the second 7/17/23 Resolution Ventures loan.

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 655 W. Broadway, Suite 800, San Diego, California 92101

A true and correct copy of the foregoing document entitled (*specify*):

**SUPPLEMENTAL DECLARATION OF RICHARD A. MARSHACK IN SUPPORT OF EMERGENCY MOTION (I) FOR ENTRY OF A SECOND INTERIM ORDER: (A) AUTHORIZING THE TRUSTEE TO OBTAIN ADDITIONAL POST-PETITION FINANCING AND SUPERPRIORITY ADMINISTRATIVE EXPENSE CLAIM PURSUANT TO 11 U.S.C. § 364; AND (B) SETTING FINAL HEARING; AND PURSUANT TO FINAL HEARING, (II) FOR ENTRY OF FINAL ORDER APPROVING POST-PETITION FINANCING ON A FINAL BASIS**

will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On July 18, 2023, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On July 18, 2023, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served):** Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on July 18, 2023, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

**JUDGE'S COPY**

The Honorable Scott C. Clarkson  
United States Bankruptcy Court  
Central District of California  
Ronald Reagan Federal Building and Courthouse  
411 West Fourth Street, Suite 5130 / Courtroom 5C  
Santa Ana, CA 92701-4593

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

July 18, 2023  
Date

Caron Burke  
Printed Name

/s/ Caron Burke  
Signature

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):**

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